



620 North 8<sup>th</sup> Street, Burlington, IA 52601  
Phone 319.753.6209 | Fax 319.753.0181

## Health Care Coverage Commission

September 25, 2009

Dear Commission,

Planned Parenthood of Southeast Iowa is a small non-profit operating healthcare centers in 6 locations in southeast Iowa. We employ 30 staff people, 29 of which are full-time by our agency definition. 25 people are on our health plan. Offering health insurance as part of a benefit package for our employees is necessary to be competitive in the southeast Iowa job market.

Our objective in selecting health benefits has been to select a plan that affordably covers preventative services and routine office visits so we can encourage staff to avoid ER visits or waiting until they are very sick to see a doctor. For this reason we have selected plans with the lowest affordable co-pays and a pharmacy plan.

Until the end of this month we were offering medical insurance with a \$2,000 deductible for singles \$4,000 family, a \$20 office co-pay and a 20% coinsurance for in network providers. The out-of-pocket max was \$4,000 single and \$8,000 family. Due to a 29% increase in our premiums we will be changing to a plan with a \$2,500 deductible for singles, \$7,500 family, \$30 co-pay, 30% coinsurance. The out-of-pocket will increase to \$7,500 single/\$22,500 family.

For several of the single parents on our plan the maximum out-of-pocket will be more than their take home pay for the year. Should any of these staff have a major illness they would have to apply for state assistance and we would still have a premium increase.

Health insurance makes up 8% of our total agency expenses, and is 23% of our total employment budget, which includes FICA, Insurance/Group, Malpractice Insurance, Work Comp, Pension Plan Expense, Salaries/Wages and Unemployment.

Planned Parenthood of Southeast Iowa currently pays 99% of the health insurance premium for full-time employees. We also offer dental, vision, long and short term disability. Part time employees pay a percentage of their premium and anyone who needs family coverage pays for the family portion. This year the family portion will be about \$450 per month for medical.

Due to our recent increase and plan change this year, employees have been notified that we will start a larger cost share next year. Over the past 5 years we have shopped new insurance companies two times, changed companies one time and changed plans three times. Over a longer period of time that I have overseen our health insurance selection, I have seen fewer choices in companies willing to provide coverage to a small group.



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We've had very few successful efforts in attempts to keep down costs. I believe this is because even preventive health care has become so expensive. Wellmark is our current health insurance provider. We have used paid staff meeting time to allow Wellmark to conduct wellness education sessions.

I would recommend the commission look for ways that small organizations like ours can join a larger pool that may spread the risk and the claims. If this is possible I would encourage the commission to provide a choice in the level of coverage and costs so employers or individuals would have an opportunity to weigh their up-front cost against maximum out-of-pocket expense.

Thank you for the opportunity to provide input.

Sincerely,

*Cherry Klein*

Cherry Klein

CEO